BC STATS
Service BC
Ministry of Labour and Citizens' Services

Ocean Fan Lu
(250) 387-1124
Fan.Lu@gov.bc.ca

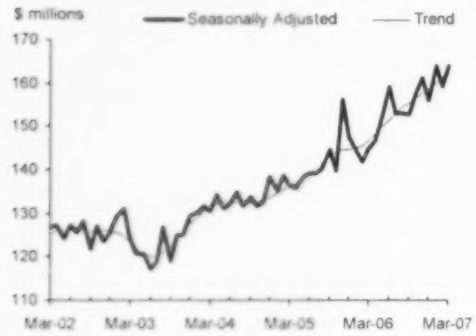
June 2007
Issue: 07-06

Tourism Sector Monitor ◆ June 2007

Room Revenue

Room revenues climbed 3.1% in March, recovering the ground lost in February (-3.0%). All regions experienced gains in room revenues. Northeast (+17.9%) led the province in revenue performance as a result of an increase in room receipts at work camps that serve seasonal workers in the area. Nechako (+12.2%) and North Coast (+11.0%) also experienced double-digit growth in revenue. BC's most populated region - Mainland/Southwest (+2.3%) saw revenue trend up for the third straight month in March. Room receipts in Vancouver Island/Coast (+3.8%) and Thompson-Okanagan (+2.7%) did not advance enough to bounce back from the declines in February. Cariboo (+1.0%) and Kootenay (+0.1%) also saw revenue increase moderately.

Room revenues bounced back in March



Increases in room revenues were recorded for all accommodation types except motels (-2.7%) in March. Vacation rentals saw revenue grow a significant 14.9%. Overall, revenues at hotels rose 1.1% with the largest growth recorded at large hotels (151-250 rooms; +2.1%). Both mid-size (76-150 rooms) and small hotels (1-75 rooms) saw revenue advance 1.4%. Room revenues at very large hotels (251+ rooms; 0.2%) also inched up. Other types of accommodations, including fishing lodges, bed and breakfasts, and campgrounds, also experienced an increase (+4.1%) in room receipts.

Table 1. Room Revenue
(seasonally adjusted)

	Mar 07 ($000)	Feb 07 ($000)	% change
Total	163,957	159,080	+3.1
Hotels	119,708	118,425	+1.1
Motels	20,903	21,479	-2.7
Other Accommodations	23,563	20,571	-9.7
Regions (Top 3 performers)			
Northeast	5,221	4,427	+17.9
Nechako	979	872	+12.2
North Coast	2,224	2,005	+11.0

Visitor Entries

Visitor entries to Canada via BC borders slipped (-0.7%, *seasonally adjusted*) for the second month in a row in March. Entries from the US, which comprise most of the visits, decreased (-0.9%) as Americans made more same-day (+1.6%) but fewer overnight (-2.2%) trips into BC.

Travel from overseas countries (-0.2%) inched down from February mainly due to the decline in the number of European

visitors (-2.7%). Entries from Asia (+0.4%) and Oceania (+3.4%) increased in March.

The number of Canadians returning home via BC was up 3.1%. Re-entries from the US climbed 3.4%, as same-day car trips increased (+3.5%) for the first time in three months. The number of travellers returning home from trips overseas was up 1.6%.

Visitor entries continued to drop in March

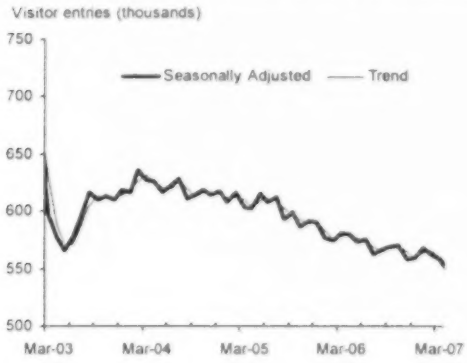


Table 2. Traveller Entries
(seasonally adjusted)

	Mar-07 ('000)	Feb-07 ('000)	% chg from Feb-07
American visitors			
Total	434	438	-0.9
Same-day	153	151	1.6
Overnight	280	287	-2.2
Overseas visitors			
Total	124	125	-0.2
Europe	42	43	-2.7
UK	21	21	0.9
Asia	59	59	0.4
Japan	17	16	4.0
Taiwan	6	6	-4.4
Oceania	13	13	3.4

(BC STATS & Statistics Canada)

Note: Total Overseas visitors is not equal to the sum of visitors from Europe, Asia and Oceania since it includes other areas

Other Indicators

In March, BC's hotel occupancy rate dropped 4.8 percentage points to 49.9%, after slumping significantly in February (-10.1 percentage points). However, room rates in the province increased 3.3% to an average price of $123.20.

Vancouver (+1.5%) and Victoria (+3.0%) airports were both busier in March. Traffic volume at BC Ferries also increased, with growth in both vehicle (+0.5%) and passenger traffic (+0.4%). A 4.4% increase in the number of vehicles on the Coquihalla was recorded in March. Revenues at BC's food service and drinking establishments continued to fall (-0.4%) in March. Business at food services was slower (-0.4%), offsetting an increase in receipts at BC drinking places (+1.0%).

Table 3. Other Tourism Indicators
(seasonally adjusted)

	Mar-07	Change from Feb-07
Hotel Industry		
Occupancy rate (%)	49.9	-4.8 pp.
Average room charge ($) *(Pannell Kerr Forster)*	123.20	3.3 pp.
Airport Passengers	**(000s)**	**(%)**
Vancouver International Airport		
Total traffic	1,451	1.5
US (trans-border)	368	2.6
Other International	343	0.5
Canada (domestic) *(YVR)*	741	1.5
Victoria International Airport		
Total traffic *(Victoria Airport Authority)*	121	3.0
Transportation	**(000s)**	**(%)**
Coquihalla Highway		
Passenger Vehicles *(Ministry of Transportation & Highways)*	231	4.4
BC Ferries		
Vehicle Volume	714	0.5
Passenger Volume *(BC Ferries)*	1,811	0.4
Exchange Rates	**Cdn $**	
US $	0.856	0.00
UK Pound	0.440	0.00
Japanese Yen	100.371	-2.53
Australian $ *(Statistics Canada)*	1.079	-0.01

Note: pp. percentage points

Note to readers: all data in the *Tourism Sector Monitor* are reported on a **seasonally adjusted** basis.

A look ahead - April 2007

Early returns show that provincial room revenues inched down (-0.2%) in April as five out of eight regions saw revenue slump. Revenues in Cariboo (-5.7%), Nechako (-2.1%), North Coast (-1.0%) and Thompson-Okanagan (-0.9%) dropped after increasing in March. Room receipts continued to dip in Kootenay (-2.8%) in March. However, Mainland/Southwest (+0.5%), Vancouver island/Coast (+0.2%) and Northeast (+0.8%) experienced gains in room revenues.

Overall, revenues at hotels rose 0.8% in April as hotels of all sizes except large hotels with 151-250 rooms (-0.7%) experienced gains in room receipts. Revenues at vacation rentals continued to advance (+1.2%) after increasing significantly in March (+15.8%). Motels saw revenues dip for the third straight month in April (-1.1%). Revenues at fishing lodges, bed and breakfasts, and other types of accommodations also slumped (-4.1%).

The number of visitors entering Canada via BC borders slipped (-1.4%, seasonally adjusted) for the third consecutive month in April. Entries from the US, which comprise most of the visits, were down 1.2% as Americans made fewer same-day (-2.8%) and overnight (-0.3%) trips into BC. Travel to BC from overseas countries was also off (-2.4%) in April, brought down by declines in the number of Asian (-3.7%) entries. Travel to the province from Japan (-9.3%) and Hong Kong (-13.4%) posted significant decreases from the previous month. Visits from Europe (-1.4%) also waned, but those from Oceania (+3.0%) continued to grow.

Passenger volume at Vancouver airport increased (+0.6%), and volume through Victoria airport also rose (+1.1%) in April. BC Ferries saw declines in both vehicle (-1.3%) and passenger (-0.6%) volume.

About preliminary numbers

Companies file their hotel room taxes with varying delays. The initial data retrieved by BC Stats may be revised considerably over the following months. BC Stats reports room revenues with a three-month lag. For example, data for January are not reported until April. However, we also briefly report "preliminary data" with a two-month lag.

How accurate is the preliminary data? Over 17 reports in 2004 and 2005, BC room revenues changed (rose or fell on a month-over-month basis) on average by 1.7% (absolute value). The preliminary numbers – reported in the "look ahead" section – were less by an average of 0.2 percentage points partly because the initial data retrieved may not be complete until later that month. For example, if the preliminary figure is 1.5, the actual number probably is around 1.7. And if the preliminary figure is -0.5, the actual number is about -0.3.

Special Focus: The Greater Vancouver Region in 2006

Introduction

Greater Vancouver Regional District (GVRD) is the most populated regional district in BC. There are many world-class travel destinations in the region, such as City of Vancouver, North Vancouver, Burnaby, and Richmond. There are also a number of smaller communities that have a significant tourism sector including Maple Ridge, White Rock and Delta.

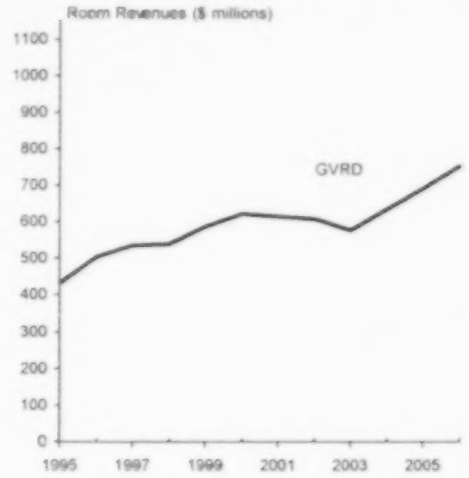
The GVRD boasts one of the mildest climates in Canada. Its proximity to the world class skiing resort, Whistler, means that visitors can enjoy a multitude of winter and summer activities, and luxurious accommodations. With popular tourist attractions such as Minter Gardens, the Vancouver Aquarium, and the Capilano Suspension Bridge, the GVRD offers visitors a variety of activities such as hiking, fishing and nature exploring in summer, and skiing and snowmobiling in winter.

The GVRD has 21 member municipalities, and has a long history dating back to the European settlement in early 1800's. The district is surrounded by scenic coastal mountains, blessed with spectacular harbours and lush city parks, and it is also characterized with unique historic heritage attractions, a growing cultural scene and countless recreational activities to suit every budget. With the City of Vancouver being the host city of the 2010 Olympics, the GVRD is certainly expecting to attract more visitors from all over the world in the years ahead.

Room Revenues in 2006

Greater Vancouver Regional District ranks first among regional districts in BC in terms of room revenues. In 2006, the region contributed over $750 million in room revenues, reaching its historic high since 1995. Revenues in the GVRD make up about 76% of the Mainland/Southwest regional total and 41% of the provincial total.

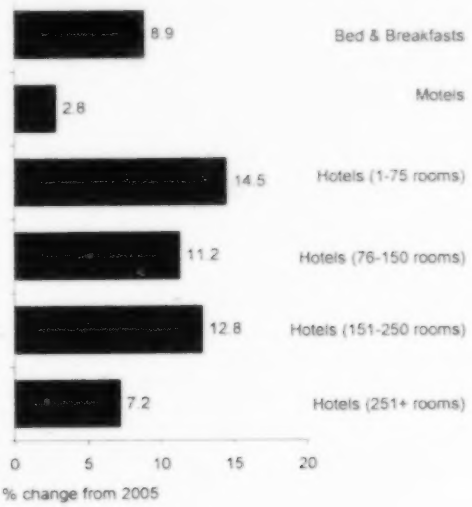
Room Revenues in GVRD reached $750 million in 2006



Source: BC STATS

Room revenues in the GVRD increased persistently between 1995 and 2000 (+43.9%), but began to decline in the next three years due to events such as 9/11, the SARS outbreak, and the subsequent Iraq war. A quick recovery followed in 2004 (+10.2%). By 2006, revenues in the GVRD grew 73.5% (relative to 1995), compared to Mainland/Southwest (+81.7%), and BC total (+82.3%).

Most accommodation establishments experienced revenue growth

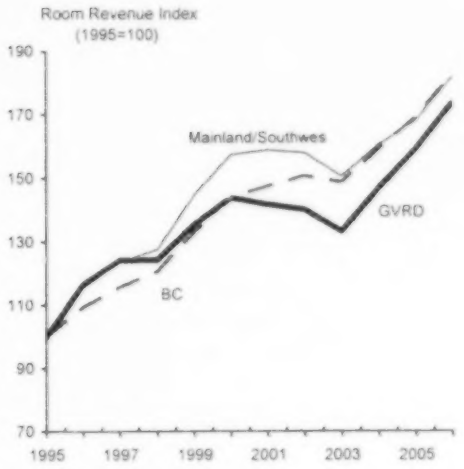


Source: BC STATS

Room revenues at all types of establishments in the GVRD posted robust growth (+9.0%) in 2006, with particularly strong increases at hotels (+9.6%). Most very large hotels with more than 250 rooms (+7.2%) and large hotels (151-250 rooms; +12.8%) in BC are located in the GVRD. They are the largest contributor of room revenues in the region, accounting for about 52% of total room receipts in Mainland/Southwest, and 38% of provincial room revenues. Mid-sized (76-150 rooms; +11.2%) and small hotels (1-75 rooms; +14.5) also posted double-digit revenue growth.

Other accommodation establishments also experienced room revenue growth in 2006. Revenues increased at both bed and breakfasts (+8.9%) and motels (+2.8%). Business was also up at saltwater fishing lodges (+7.6%) and other miscellaneous accommodation establishments (+10.9%), which provide visitors with different accommodation choices to suit their individual interest and budget. However, revenues at freshwater lodges (-47.6%) and vacation rentals (-17.5%) slumped in 2006.

GVRD growing faster than the BC average since 2004



Source: BC STATS

The GVRD (+9.0%) outperformed the Mainland/Southwest region (+8.1%) and BC (+7.8%) as a whole in revenue growth in 2006. With the 2010 Olympic Games attracting more tourism activities, it is becoming a more important source of revenue growth in the region and in the province.

Transportation

The GVRD is well serviced to accommodate guests wishing to travel through the region by road, sea or air. Transportation in Vancouver has many of the features of most modern cities worldwide and some interesting differences. As the region is surrounded by water on three sides, it has several bridges to the north and south. Like most modern cities, automobile is the most common method of travel. The GVRD also provides alternatives, such as the longest

automated light rail system in the world, well-scheduled city and sea bus lines, and an extensive network of bicycle routes.

Vancouver International Airport is Canada's second biggest airport, which is located on an island between Richmond & Vancouver. It welcomed nearly 17 million travellers from all over the world into BC in 2006, 3.1% more than it did 2005. Among the travellers arriving at Vancouver International Airport, a little over half are domestic visitors, increasing 4.4% in volume in 2006. Other visitor sources include the US (+3.7%) and international travellers (-0.1%). In addition, convenient ferry services allow the GVRD to be a popular spot for travellers from Vancouver Island, other neighbouring islands and cruise-ships.

The City of Vancouver

The City of Vancouver is the host of the 2010 Olympic and Paralympic Winter Games. Surrounded by spectacular natural beauty, the City of Vancouver is recognized as one of the world's most liveable cities, renowned for its leaderships in the areas of sustainability, openness and inclusivity.

Surrounded by water on three sides and overlooked by the Coast Range mountains that rise abruptly to more than 1,500 m, Vancouver is located in the central west of GVRD.

The City of Vancouver is an important source of revenue growth for the GVRD, accounting for more than 68% of total room receipts in the region. In 2006, a significant 7.1% was recorded in the City of Vancouver. Most of the increases originated in hotels, especially very large hotels. About half of the very large hotels with over 250 rooms in BC were situated in downtown Vancouver, which contributed over $369 million in room revenue in 2006, 7.5% more than in 2005. With the 2010 Olympics on horizon, the City of Vancouver is also raising the bar at its hotels, such as the multimillion-dollar expansion and renovation of the Pan Pacific Hotel, and other hotel development projects preparing for the event.

Conclusion

The spectacular natural beauty, easily accessible locations, numerous national attractions and convenient transportation, have put room revenues in the GVRD on a rapid growing trend since 2003. A few communities have experienced a recent surge of interest. The City of Richmond, for example, has grown a significant 35.9% in room revenues between 2003 and 2006, sharing 17% of the total regional revenue growth. The City of Burnaby has seen a 14.0% increase in overall room revenues during the period. Other smaller municipalities and communities, such as the City of North Vancouver, New Westminster and Surrey, are also booming. With communities like these within the region growing and developing, the GVRD is likely to experience more prosperity in its tourism sector in the future.